

SENATE BILL REPORT

2SHB 1980

As Reported By Senate Committee On:
Early Learning & K-12 Education, March 29, 2007

Title: An act relating to the financial literacy public-private partnership.

Brief Description: Regarding the financial literacy public-private partnership.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Kelley, Santos, Ormsby, Roach and Morrell).

Brief History: Passed House: 3/13/07, 94-1.

Committee Activity: Early Learning & K-12 Education: 3/28/07, 3/29/07 [DPA].

SENATE COMMITTEE ON EARLY LEARNING & K-12 EDUCATION

Majority Report: Do pass as amended.

Signed by Senators McAuliffe, Chair; Tom, Vice Chair; Holmquist, Ranking Minority Member; Brandland, Clements, Eide, Hewitt, Hobbs, Kauffman, Oemig, Rasmussen and Zarelli.

Staff: Eric Bratton (786-7438)

Background: Financial literacy is the achievement of skills and knowledge necessary to make informed judgments and effective decisions regarding earning, spending, and the management of money and credit.

In 2004, the Legislature created the Financial Literacy Public-Private Partnership (Partnership) consisting of legislators, representatives from the Office of the Superintendent of Public Instruction (OSPI) and the Department of Financial Institutions, financial services representatives, and educators. The Partnership is charged with identifying important financial literacy skills and knowledge, and considering strategies to increase financial literacy in public school students. Such strategies include instructional materials, assessment measures, and professional development to expand and improve financial literacy instruction.

There is a Partnership account administered by the OSPI which can be used for public funds and private donations. For the first years of its existence, the Partnership did not have state operating funds. However, \$50,000 was appropriated to the Partnership account in the 2006 supplemental operating budget. The Partnership is scheduled to issue a final report and expire on June 30, 2007.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary of Second Substitute Bill: The date for the completion of activities by the Partnership is extended from June 30, 2006, to June 30, 2009. The expiration date for the partnership is also extended to June 30, 2009. The Partnership's final report in June of 2007 becomes an interim report, and a new final report date is set for June 30, 2009. New activities are added: creating resource materials on personal finance to guide student culminating projects, developing Essential Academic Learning Requirements for personal finance, and preparing recommendations for including financial literacy principles in the Washington Assessment of Student Learning.

If funds are provided, the OSPI and other members of the Partnership will make financial literacy materials available to school districts. School districts are encouraged to provide students with an opportunity to master financial literacy skills and knowledge.

EFFECT OF CHANGES MADE BY RECOMMENDED AMENDMENT(S) AS PASSED COMMITTEE (Early Learning & K-12 Education): Removes the section directing the Partnership to create resource materials to aid districts in guiding student culminating projects focused on personal finance. It also removes the sections directing the Partnership to consider the development of EALRs for personal finance and the preparation of recommendations for inclusion of financial literacy principles on the Washington Assessment of Student Learning.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony: PRO: The saving rate in this country is negative. Students are becoming desensitized to debt and taking on more than is necessary. This is an important bill because consumers that lack the basics of financial literacy cannot make good financial decisions that affect their lives and their future. This program helps provide students with an education in personal finance so they will have the tools necessary to make smart financial decisions and improve their economic well-being.

Persons Testifying: PRO: Representative Kelley, prime sponsor; Stacey Augustine, Washington Credit Union League; Linda Jelel, Department of Financial Institutions.